

Summary of the December 2, 2002 System Leadership Council Meeting

The following Council members attended this meeting.

Janet Areson	Paul R. Gilding	James S. Reinhard, M.D.
Mary Ann Bergeron	Larry L. Latham, Ph.D.	James W. Stewart, III
H. Lynn Chenault	Jules J. Modlinks, Ph.D.	Frank L. Tetrick, III
Gerald E. Deans	George W. Pratt, Ed.D.	James A. Thur
James L. Evans, M.D.	Raymond R. Ratke	Joy Yeh, Ph.D.

Howard M. Cullum and Bob Chaffin also attended this meeting.

1. Agenda and Meeting Summary: The Council accepted the summary of its August 2, 2002 meeting and adopted the agenda as proposed for this meeting. (Dec. 2, 2002 date corrected).

2. Changes in the Central Office of the Department: Department staff summarized the impact of the 15 percent budget reduction on the Central Office. A total of 31 employees will be laid off or will retire, in addition to the 24 positions already vacant from previous budget reductions.

- Joy Yeh reviewed the changes in the Division of Finance and Administration. She noted that Jim Beck in the Office of Grants Management will retire at the end of the calendar year. His responsibilities (special project and purchase of individualized services reporting) will be assumed by Rosanna Roberts and Bob Schmid. In the Reimbursement Office, two people retired and three will be laid off. Only two staff will be left in community reimbursement, so there will be no more routine reimbursement reviews or Medicaid audits. The Debt Set-Off process that this office performed for CSBs will end. As a result, CSBs will need to submit claims to local government. Several Executive Directors expressed concerns about this loss and asked the Department to reconsider the proposed elimination of this function. In the Administrative Services Office, one person, who did CSB procurement reviews, will be laid off. As a result, routine procurement reviews of CSBs will cease.
- In Human Resource Management and Development, Bennett Nelson will be laid off. His responsibilities for technical assistance to CSBs will be shared among the remaining staff.
- Dr. Evans indicated that the Office of Research and Evaluation has ceased to exist. Some office staff have been reassigned to the program offices. Dr. Koch will remain to track outcome and quality of care information and to serve as an advisor to Dr. Evans.
- The Office of Consumer Affairs will be eliminated but the warm line may be continued by the program offices.
- In the Office of Community Contracting, Chris Konschak has been laid off and Ervin Barksdale has been transferred to the Office of Substance Abuse Services. Arthur Byrd and Joel Rothenberg will assume responsibilities for their CSBs.
- Dr. Reinhard asked Joy Yeh to follow up on the Debt Set-Off concerns and to report at the next Council meeting. He agreed to send out a summary of Central Office changes to CSBs and local governments (city managers and county administrators).
- In response to a question, Dr. Reinhard indicated that the Department has been told that, so far, there will be no more cuts in FY 2004.

3. FY 2004 Performance Contract Update: Paul Gilding summarized the efforts of the FY 2004 Performance Contract Work Group to date. Candace Waller, Bill Claiborn, and Frank Tetrick are the CSB representatives on this group

- The Work Group has developed a Partnership Agreement, which received a favorable response at the Executive Directors Forum meeting in October. This agreement, which would not be negotiated or signed annually but only as revisions are needed, would describe the roles and responsibilities of the three operational partners in the public mental health,

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mental retardation, and substance abuse services system: CSBs, the Central Office of the Department, and state facilities. It would also contain the core values of the partners and would discuss accountability and communication.

- The Work Group also has developed a draft contract, which is much shorter and more focused than previous contracts, and a General Requirements Document, which contains many of the federal and state statutory, regulatory, or policy requirements that do not change frequently. The General Requirements Document and the Partnership Agreement would be incorporated by reference as part of the performance contract.
- Several drafts of these documents have been developed and reviewed by the Work Group. He noted that the remaining issue to be resolved is which funds are included in the contract. He indicated the comments on the current drafts would be welcomed through the end of this week. Then, the Work Group needs to decide if it needs to meet again or whether concerns can be addressed by teleconference and how to proceed to complete the December 31 exposure drafts of these three documents. Subsequent to this Council meeting, the Work Group met on December 19 and exposure drafts of the three documents were distributed by e-mail and placed on the Department's web site by December 31.
- Council members discussed which funds should be included in the contract. There was a strong consensus that there needs to a way to show the complete picture of all public funds handled by CSBs and of the services supported by those funds, so that it is clear that CSBs manage the system locally. The Council agreed that the Work Group should resolve this issue for now relative to the FY 2004 contract; but the members want to keep this issue on the Council's agenda. Another result of the meeting with the Deputy Secretary was the request for the Department to provide a memorandum to the Secretary describing the Department's proposed approach to developing the FY 2004 contract. This memorandum could be the basis for the brief document mentioned in the preceding point.

4. Review Response to George Pratt's Letter: Paul Gilding reviewed aspects of the response, such as streamlining DAP and POIS reporting and eliminating routine procurement and reimbursement reviews. He noted that the response is almost ready to be mailed, but one answer still needs to be clarified. George Pratt emphasized that the real issue is not so much reducing reporting requirements as it is reducing information that line staff have to collect. He noted that much of this information is required by DMAS rather than DMHMRSAS, and he observed that CSBs will need to work with DMAS on those requirements. Howard Cullum indicated that the intent of George Pratt's letter was to encourage a Secretariat-wide roll back on administrative requirements, unless they were related to consumer health or safety. Ray Ratke noted that this discussion pointed out the need to continue working together on other areas such as Part C. Dr. Reinhard agreed that the Department's response to George Pratt's letter would be sent shortly.

5. State Pharmacy Update

- Dr. Evans reviewed the discussion at the October 8 meeting with the Virginia Association of Community Psychiatrists.
- He observed that use less expensive medications should be a clinical judgment call, rather than an effort to dictate clinical practice. He suggested that psychiatrists need to receive more information about the costs of medications.
- The use of pharmaceutical company indigent care programs needs to be managed.
- He noted that the consumer co-payment issue remains to be resolved.
- He observed that the Med-Saver program (return of unused medications) appears to be the most significant development in efforts to control State Pharmacy costs for FY 2003. He distributed a handout showing the growth of this program over the past three years. The

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program has experienced a \$600,000 increase in the first quarter of FY 2003, compared to the same quarter in FY 2002 (from \$198,863 to \$806,189 worth of returned medications). He noted that the State Pharmacy staff is stretched to handle this increased volume, plus the increased workload associated with the return of the Region 5 CSBs and the Richmond Behavioral Health Authority to using the pharmacy. He suggested that the pharmacy may need to add staff.

- In response to a question about the status of the \$1.4 million of additional state funds allocated for the State Pharmacy shortfall, Joy Yeh indicated that these funds are included in the FY 2003 budget, and she was confident that the funds would be added to the FY 2004 budget. Subsequently, the Governor's budget, presented on December 20, includes an additional \$1.4 million of state funds for the State Pharmacy in FY 2004.
- Ray Ratke noted that, if CSBs remain on the current trend line for State Pharmacy expenses, the system is on target for handling the shortfall. An Executive Director asked what will happen to CSBs that exceed their targets. Ray Ratke noted that the individual CSB targets are just for tracking purposes.
- George Pratt told the Council that several CSBs have received bills from the State Pharmacy for "inappropriate" consumers, that is individuals who have not been hospitalized or patients before July 1 who do not meet the current criteria for access to the Pharmacy. He noted this could exceed \$100,000 for Norfolk. He indicated he thought these individuals were supposed to be grandfathered in under the criteria adopted by the Council last summer.
- Jim Thur observed that those criteria are a mixture of policies, procedures, and guidance. He suggested that the Department should issue formal procedures about this, noting that memoranda do not work as statements of standing policy. Dr. Reinhard and Ray Ratke agreed.
- Several Council members discussed placing restrictions on the State Pharmacy formulary, as other insurers and Medicaid have done. Dr. Reinhard responded that the system is moving toward a preferred drug list and indicated that there would be budget language directing DMAS to do this. He suggested that the co-payment issue also needs to be settled. He noted that, so far, the "observation effect" has kept the Pharmacy and CSBs within the targets, but he was not sure how long this would last.
- Dr. Evans mentioned that the Pharmacy Subcommittee of the Council was meeting on December 4 to continue monitoring the State Pharmacy budget situation and to discuss these issues.
- Jim Stewart observed that prescribing medications is controlled by payment sources with the exception of the State Pharmacy. Frank Tetrick suggested that CSBs need the Department to set standards that would control prescribing practices; this cannot be done separately by 40 CSBs. He noted that there were a lot of community psychiatrists at the October 8 VACP meeting and they seemed to understand the need for this and to be supportive. He concluded that if the Department establishes prescribing protocols, everyone will follow them, even if they do not like them. Dr. Reinhard agreed to do this.
- Dr. Reinhard asked how establishing procedures for CSBs to follow should be done. Howard Cullum urged making the Department's Departmental Instruction process, through which the Department develops and implements policies and procedures that apply to state facility and Central Office operations, applicable to CSBs. Frank Tetrick suggested using the framework in the draft Partnership Agreement to do this.
- George Pratt clarified that the goal was not to restrict access to needed medications but to establish protocols for gaining access when appropriate.

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- Jim Thur suggested adopting or adapting a workable protocol if one is already available rather than inventing a new or different one. Jim Stewart urged DMAS and the Department to have the same formulary and protocols.
- Council members discussed consumer co-payments. Charging consumers could reduce unused medications, but could lead to burdensome appeal procedures. Use of co-payments might vary by population. For example, requiring co-payments may work well with traditional outpatient populations, but not with seriously mentally ill populations. Jim Thur agreed, noting Fairfax is developing different policies for different populations. Jim Stewart suggested following DMAS procedures, charging consumers but writing off the obligation.
- George Pratt mentioned that a number of concerns have been raised about how some CSBs handle indigent care medications supplied by pharmaceutical companies (repackaging and dispensing issues). Janice Dyson reportedly is upset about how some CSBs handle these medications and told some CSB nurses they could go to jail. It was suggested that this was a personal opinion, rather than an official position of the Department. At least one local government attorney has advised a CSB not to use indigent care programs because of these concerns. Clearly, physicians and nurses can dispense and repackage medications. Apparently, the problem is PACTs. After some discussion, the group agreed that Scotty Russell at the State Pharmacy Board should not be contacted with questions about this issue. Instead, the Pharmacy Subcommittee needs to discuss this and formulate proposed solutions. This issue needs to be resolved because, if CSBs do not use pharmaceutical company indigent care medication programs, this will impact the State Pharmacy situation.

6. Access and Alternatives (Inpatient Psychiatric Bed Shortages) Update

- Dr. Evans updated the Council. The Access and Alternatives Work Group met from April through November. He distributed an executive summary of the group's report and recommendations and District 19 CSB's comments on those recommendations.
- The report was provided to the Joint Commission on Behavioral Health Care, which is meeting on December 10 and is developing its own report on this subject. He noted that the Virginia Hospital and Healthcare Association (VHHA) claims some information in the work group's report is inaccurate; however that information was obtained from VHHA.
- Howard Cullum noted that outpatient commitment was not discussed in the report and suggested that it should be considered at least to deal with medications non-compliance. Dr. Evans responded that three quarters of all schizophrenics are non-compliant after two years and all of them cannot be committed. He suggested examining the frequency of contact as a way to address compliance issues. Howard Cullum agreed that outpatient commitment and medication compliance were tough issues but observed that any discussion of bed availability should consider these issues. Larry Latham suggested that rather than assessing co-payments to consumers, we should consider paying them to take their medications; that would be a lot more cost-effective than a hospital admission. George Pratt noted that Virginia has one of the most restrictive commitment laws in the country.
- Dr. Reinhard expressed the hope that the regional restructuring work groups would address outpatient commitment and medication compliance issues and noted that, if they do not, the Council should address them through a subcommittee.

- 7. FY 2003 and 2004 Budget Update:** Joy Yeh discussed the budget situation. She indicated that there would probably be no additional cuts for CSBs. The only state facility cut would probably be at Central State Hospital to reflect savings associated with moving the Riverside contract to the hospital. Jim Stewart mentioned that Region 4 needs \$1 million of additional funds because of increased demand and increased bed purchase costs. He indicated that the Region 4 pilot project would fail within three years without this additional money.

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- 8. Regional Partnership Restructuring Proposals Update:** Dr. Reinhard discussed the proposals. He noted that they were as conservative as possible - \$12 million in FY 2004 and \$21.7 million on an ongoing basis afterwards. These were based on the recent conference calls with the regional work groups. Ray Ratke noted that the next steps were meetings with the Department of Planning and Budget today and with the Governor this week to finalize their commitment to reinvestment activities. The goal is for this initiative to be part of the Governor's budget. Subsequently, the Governor did include the reinvestment initiative as proposed in his budget.
- 9. Council Membership**
- After some discussion, the Council agreed to add additional state facility representatives. The group agreed on the need to focus more on the state facility – CSB interface and linkages, especially as we move into restructuring.
 - The Council also decided that, given its progress and accomplishments to date, the types of issues discussed, and the responsibilities of the Council, as stated in the performance contract and the draft Partnership Agreement, other representatives (e.g., from the private sector or advocacy groups) should not be added to the Council's membership now. The group agreed on the need to build on the ideas in the Partnership Agreement and ensure smooth working relationships among the operational partners first.
 - It was noted that other stakeholders have other opportunities for participation and involvement, such as the regional restructuring partnerships. It may be more productive to involve the private sector regionally, since many of their concerns and issues may have regional components or focuses.
 - The group agreed on the desirability of a regular, perhaps quarterly, strategic planning group meeting with other stakeholders (e.g., private sector, advocacy groups).
- 10. Regular Council Meeting Date, Time, and Place:** Mary Ann Bergeron and Jim Stewart observed that this was one of the most productive meetings that the Council has had. The group agreed on the need for a work plan for 2003 that would identify the issues that the Council needs to address. The Council may need to use subcommittees, like the State Pharmacy Subcommittee, to deal with some issues. The Council agreed that it should meet bi-monthly on the second Monday from 9:00 a.m. to noon. **The next meeting will be on January 13.**
- 11. Placement of Governor's Fellows (psychiatrists for underserved areas):** Dr. Evans reminded the group that five psychiatrists will graduate under this program this year.
- 12. Role of VOPA:** Jules Modlinski asked Julie Stanley to look into and provide clarification about the role of VOPA in relation to the Department regarding human rights. He noted that VOPA was distributing literature for CSBs to post about contacting VOPA about human rights complaints. This will be confusing to consumers and family members. He provided a copy of the literature to Dr. Reinhard.

Attachments

Current Council Membership List
System Leadership Council Meetings

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System Leadership Council Membership	
Name	Organization
Janet Areson	Virginia Municipal League Staff
Mary Ann Bergeron	Virginia Association of Community Services Boards (VACSB) Executive Director
H. Lynn Chenault	VACSB - New River Valley Community Services Executive Director
Charline A. Davidson	Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS) - Planning and Development Director
Gerald E. Deans	DMHMRSAS - Assistant Commissioner, Facility Management
Virginia Dofflemyer	State Mental Health, Mental Retardation and Substance Abuse Services Board Chairman
Judy Dudley	Central Virginia Training Center Director
James L. Evans, M.D.	DMHMRSAS – Medical Director/Health and Quality Care Director
Paul R. Gilding	DMHMRSAS - Community Contracting Director
Nita Grignol	VACSB Chairman
Larry L. Latham, Ph.D.	Central State Hospital Director
Dean Lynch	Virginia Association of Counties Staff
Jules J. Modlinski, Ph.D.	Southside Community Services Board Executive Director
James R. Peterson	VACSB - Region Ten CSB Executive Director
George W. Pratt, Ed.D.	VACSB - Norfolk CSB Executive Director
Raymond R. Ratke	DMHMRSAS - Deputy Commissioner
James S. Reinhard, M.D.	DMHMRSAS - Commissioner
Julie A. Stanley	DMHMRSAS - Assistant Commissioner, Administrative and Regulatory Compliance
James W. Stewart, III	VACSB - Henrico Area Mental Health and Retardation Services Board Executive Director
Frank L. Tetrack, III	VACSB - Middle Peninsula-Northern Neck CSB Executive Director
James A. Thur	VACSB - Fairfax-Falls Church CSB Executive Director
Joy Yeh, Ph.D.	DMHMRSAS - Assistant Commissioner, Finance and Administration

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System Leadership Council Meetings

Establishment

Council contained in the FY 2001 Performance Contract (June 20, 2000)
Council established on August 4, 2000 (invitation letters to participants)

Fiscal Year (FY) 2001 (5 meetings)

September 13, 2000
November 1, 2000
December 7, 2000
March 9, 2001
June 7, 2001

FY 2002 (6 meetings)

September 25, 2001
December 6, 2001
January 10, 2002
March 22, 2002
May 1, 2002
June 24, 2002

FY 2003

August 2, 2002
December 2, 2002